

SUBJECT

# INTRODUCTION TO INDUSTRIAL ORGANIZATIONAL PSYCHOLOGY

SESSION 1

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**Subject: Introduction** Industrial Organizational Psychology

## Session 1

### What Is Industrial Organizational Psychology?

**Question:** What Is Industrial Organizational Psychology

**Answer:**

Industrial organizational psychology is the branch of psychology that applies psychological theories and principles to organizations. Often referred to as I-O psychology, this field focuses on increasing workplace productivity and related issues such as the physical and mental well being of employees. Industrial organizational psychologists perform a wide variety of tasks, including studying worker attitudes and behavior, evaluating companies, and conducting leadership training. The overall goal of this field is to study and understand human behavior in the workplace.

### The Two Sides of I-O Psychology

You can think of industrial organizational psychology as having two major sides. First, their is the industrial side, which involves looking at how to best match individuals to specific job roles. This segment of I-O psychology is also sometimes referred to as **personnel psychology**. People who work in this area might assess employee characteristics and then match these individuals to jobs in which they are likely to perform well. Other functions that fall on the industrial side of I-O psychology include training employees, developing job performance standards, and measuring job performance.

The organizational side of psychology is more focused on understanding how organizations affect individual behavior. Organizational structures, social norms, management styles, and role expectations are all factors that can influence how people behavior within an organization. By understanding such factors, I-O psychologists hope to improve individual performance and health while at the same time benefiting the organization as a whole.

## **How is Industrial Organizational Psychology Different?**

While industrial organizational psychology is an applied field, basic theoretical research is also essential. With roots in experimental psychology, I-O psychology has a number of different sub-areas such as human-computer interaction, personnel psychology, and human factors.

### **Six Key Areas of I-O Psychology**

According to Muchinsky (2000), most industrial organizational psychologists work in one of six major subject areas:

- **Training and development:** Professional in this area often determine what type of skills are necessary to perform specific jobs as well as develop and evaluate employee training programs.
- **Employee Selection:** This area involves developing employee selection assessments, such as screening tests to determine if job applicants are qualified for a particular position.
- **Ergonomics:** The field of ergonomics involves designing procedures and equipment designed to maximize performance and minimize injury.
- **Performance Management:** I-O psychologists who work in this area develop assessments and techniques to determine if employees are doing their jobs well.

- **Work Life:** This area focuses on improving employee satisfaction and maximizing the productivity of the workforce. I-O psychologists in this area might work to find ways to make jobs more rewarding or design programs that improve the quality of life in the workplace.
- **Organizational Development:** I-O psychologists who work in this area help improve organizations, often through increasing profits, redesigning products, and improving the organizational structure.

### **Who Should Study Industrial Organizational Psychology?**

Students who are interested in applying psychological principles to real-world setting should consider industrial organizational psychology. If you have a strong interest in psychology as well as related subjects such as product design, computers, statistics and engineering, this may be the ideal field for you.

### **Major Topics in Industrial Organizational Psychology**

- Product design
- Employee testing
- Leadership
- Workplace diversity
- Workplace performance
- Employee motivation

### **Important People in the History of Industrial Organizational Psychology**

- Hugo Münsterberg
- Frederick W. Taylor
- Robert Yerkes

- James McKeen Cattell
- Elton Mayo
- Kurt Lewin

and organizational psychology (I/O) is among the newest fields in psychology. Industrial Psychology focuses on improving, evaluating, and predicting job performance while Organizational Psychology focuses on how organizations impact and interact with individuals. In 1910, through the works and experiments of Hugo Munsterberg and Walter Dill Scott, Industrial Psychology became recognized as a legitimate part of the social science [3]. Organizational Psychology was not officially added until the 1970s and since then, the field has flourished. The Society for Industrial Organizational Psychology has approximately 3400 professional members and 1900 student members. These two numbers combine to make up only about four percent of the members in the American Psychology Association but the number has been rising since 1939 when there were only one hundred professional I/O psychologists [3].

I/O psychologists are employed by academic institutions, consulting firms, internal human resources in industries, and governmental institutions. Various universities across the United States are beginning to strengthen their I/O Psychology programs due to the increase of interest and job demand in the field [3].

Industrial organizational psychologists look at questions regarding things such as who to hire, how to define and measure successful job performance, how to prepare people to be more successful in their jobs, how to create and change jobs so that they are safer and make people happier, and how to structure the organization to allow people to achieve their potential.[3]

Human factors psychology is the study of how cognitive and psychological processes affect our interaction with tools and objects in the environment. The goal of research in human factors psychology is to better design objects by taking into account the limitations and biases of human mental processes and behavior.

#### Key terms and glossary

**waigawa system** A management system dedicated to the idea that when the corporation faces a difficult problem, all rank-related concerns are temporarily set aside so that anyone from any level of the organization can have input.

**360-degree feedback** A method of performance appraisal whereby

employee's performance is rated by a variety of individuals, including himself or herself, a peer, a supervisor, a subordinate, and perhaps a customer or client.

**affective commitment** The employee's emotional attachment to his or her place of work.

**biographical inventory** A type of job-screening test that involves asking the candidate about life experiences that seem verifiable.

**Burnout** An extremely distressed psychological state in which a person experiences emotional exhaustion and little motivation for work.

**continuance commitment** A kind of job commitment that derives from the employee's perception that leaving the organization would be too costly, both economically and socially.

**distributional error** A common error in performance ratings, so called because it refers to ratings that fail to use the entire rating scale.

**Downsizing** A dramatic cutting of the workforce that is an increasingly popular business strategy to enhance profitability.

**ergonomics (human factors)** A field that combines engineering and psychology and that focuses on understanding and enhancing the safety and efficiency of the human-machine interaction.

**Flow** The optimal experience of a match between our skills and the challenge of a task.

**halo effect** A common error in performance ratings that occurs when the rater gives the person the same rating on overall items, even though there is actual variability.

**Hawthorne effect** The tendency of individuals to perform better simply because of being singled out and made to feel important.

**human relations approach** Emphasizes the psychological characteristics of workers and managers, stressing the importance of such factors as morale, attitudes, values, and humane treatment of workers.

**integrity test** A type of job-screening examination that is designed to assess whether a candidate will likely be dishonest on the job.

**job analysis** The process of generating a description of what a job involves, including the knowledge and skills that are necessary to carry out the job's functions.

**job crafting** The physical and cognitive changes individuals can make within the constraints of a task to make the work their own.

**job evaluation** Scientific determination of the monetary value of a particular occupation, which relies on experts' decisions as to the standing of an occupation in terms of compensable factors.

**job satisfaction** The extent to which a person is content in his or her job.

**job stress** The experience of stress on the job and in the workplace setting.

**KSAOs (KSAs)** Common elements in a person-oriented job analysis; an abbreviation for knowledge, skills, abilities, and other characteristics.

**Leisure** The pleasant times before or after work when individuals are free to pursue activities and interests of their own choosing, such as hobbies, sports, and reading.

**Mentoring** A relationship between an experienced employee and a novice in which the more experienced employee serves as an advisor, a sounding board, and a source of support for the newer employee. p

**normative commitment** The sense of obligation an employee feels toward the organization because of the investment the organization has made in the person's personal and professional development.

**organizational citizenship behavior (OCB)** Discretionary actions on the part of an employee that promote organizational effectiveness but are not part of the person's formal responsibilities.

**organizational culture** An organization's shared values, beliefs, norms, and customs.

**organizational identity** Employees' feelings of oneness with the organization and its goals

**Orientation** A program by which an organization introduces newly hired employees to the organization's goals, familiarizes them with its rules and regulations, and lets them know how to get things done.

**Overlearning** A key goal of training by which trainees practice after they have achieved a level of acceptable skill at some task so that the skill has become automatic.

**performance appraisal** The evaluation of a person's success at his or her job.

**role conflict** The kind of stress that arises when a person tries to meet the demands of more than one important life role, such as worker and mother.

**scientific management** The managerial philosophy that emphasizes the worker as a well-oiled machine and the determination of the most efficient methods for performing any work-related task.

**sexual harassment** Unwelcome behavior or conduct of a sexual nature that offends, humiliates, or intimidates another person.

**strengths-based management** A management style emphasizing that maximizing an employee's existing strengths is much easier than trying to build such attributes from the ground up.

**structured interview** A kind of interview in which candidates are asked specific

questions that methodically seek to get truly useful information for the interviewer.

**Theory X managers** Managers who assume that work is innately unpleasant and that people have a strong desire to avoid it; such managers believe that employees need direction, dislike responsibility, and must be "kept in line."

**Theory Y managers** Managers who assume that engaging in effortful behavior is natural to human beings, and who recognize that people seek out responsibility and that motivation can come from allowing them to suggest creative and meaningful solutions.

**thinking outside the box** Exploring new ways of approaching tasks and challenges and finding solutions.

**Training** Teaching a new employee the essential requirements to do the job well.

**transactional leader** An individual in a leadership capacity who emphasizes the exchange relationship between the worker and the leader and who applies the principle that a good job should be rewarded

**transformational leader** An individual in a leadership capacity who is concerned not with enforcing the rules but with changing them.

Strategic planning

a set of procedures for making decisions about the organization's long-term goals and strategies



Operational planning

Day-to-day decisions and actions (tactics) to carry out Functional Plan



Mission statement

A concise description of the goals or desired outcomes of a team



Goal

Something you would like to accomplish.



Budget

amount of money that can be spent



## Standards

values held by stakeholders that provide the basis on which to assess the merit or worth of the initiative

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## Policies

written instructions designed to address a commonly occurring problem in an institutionally approved manner

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## Authority

a government's legitimate use of power

□□□

## Procedure

a set of steps that explains how to do something

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## Organization chart

A visual representation of an organization that shows title and responsibility (in a box form)

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## Responsibility

to accept the consequences of our marketing decisions and strategies

□□□

## Accountability

Ability to track user activity on a system. This requires positive, unique ID and an effective audit trail

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## Empowerment

enhancing the capabilities and influence of individuals and groups

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## Line authority

authority to make decisions and to direct the performance of subordinates in production, sales, or finance-related activities.

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## Centralized organization

a structure in which authority is concentrated at the top, and very little decision-making authority is delegated to lower levels.

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### Decentralized organization

An organization in which decision making authority is not confined to a few top executives but rather is spread throughout the organization.

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### Departmentalization

The basis by which jobs are grouped together

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### Top level managers

Managers responsible for setting goals and planning the future for a company

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### Middle managers

2nd lowest technical skills, high human skills, 2nd highest conceptual skills, 2nd highest motivation to manage

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### Operational managers

Managers who are responsible for daily operations of a business such as supervision and office managers

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### Planning

Goals, Interventions, and Individualization

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### Organizing

The process of arranging personnel and physical resources to carry out plans and accomplish goals and objectives

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### Implementing

Function of management that involves directing and leading people

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### Controlling

The management function that monitors and evaluates tasks.

